Amendment to the Claims:

Please add new claims 23-32 as follows:

1-12. (Canceled)

13-22. (Not entered)

23. (New) A stable aqueous/aqueous emulsion system, which is prepared with hydrophilic polymers.

24. (New) A stable aqueous/aqueous emulsion system, which is prepared with hydrophilic polymers by the method comprising steps of:
   a) selecting appropriate polymeric materials for dispersed phase and continuous phase which are immiscible, biocompatible and have biased partition to the active ingredients to be encapsulated;
   b) selecting appropriate surface modifiers which are charged, non-toxic, and possessing a moderate interfacial tension between the above two phases;
   c) developing phase diagram for the above; and
   d) dispersing the dispersed phase into the continuous phase under an appropriate shear stress.

25. (New) The aqueous/aqueous emulsion system of claim 24 with polymeric surface modifier.

26. (New) An encapsulation comprising the emulsion system of claim 24.

27. (New) The encapsulation of claim 26 which encapsulates protein, peptide, virus, bacterium, or cell.

28. (New) A liposome-based drug formulation which comprises the emulsion system of claim 24.

29. (New) Viral, bacterial or cell microencapsulation comprising the emulsion system of claim 24.

30. (New) A nano-sized preparation comprising the emulsion system of claim 24.

31. (New) The nano-sized preparation of claim 30, wherein the preparation is nano-sized crystallization, nano-sized precipitation or other nano-sized assembly.

32. (New) The stable aqueous/aqueous emulsion system of claim 24, wherein the hydrophilic polymer is dextran, sodium alginate, or polyethylene glycol.